

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BLC2014 – BUSINESS AND COMMERCIAL LAW

(All sections/Groups)

4 MARCH 2016

3.00p.m. – 5.00p.m.

(2 Hours)

INSTRUCTION TO STUDENTS

1. This Question paper consists of 4 pages including cover page.
2. Answer **ALL FOUR (4)** questions.
3. Marks for each of the questions are given.
4. Please write your answers in the **Answer Booklet** provided.

QUESTION 1

- (a) Gollum, a manufacturer of Orange Android phone had 800 mobile phones in stock. Realising that his business was in financial difficulties, he sold 300 units of phones to Gandalf, 400 units to Bilbo and 300 units to Saruman. None of the buyers were aware that Gollum's stock was limited and all paid Gollum in cash in advance of delivery. Before any of the mobile phones had been delivered, Gollum's business became insolvent and a receiver was appointed. Gandalf, Bilbo and Saruman are all claiming the mobile phones they had bought from the receiver. Explain the rules relating to the passing of property in unascertained goods.

Advise the receiver.

(15 marks)

- (b) State **Two** (2) remedies on breach of contract of sales of goods for the Seller and **Two** (2) remedies for the buyer.

(10 marks)

(Total : 25 marks)

QUESTION 2

- (a) "The insurance company did not have to pay. The plantation company was a legal entity in its own right, separate from its shareholders and while it was the owner of the plantation and had an insurable interest, it had no policy..."

The above decision has been stipulated in the case of *Macaura v Northern Assurance Co Ltd* [1925]AC619.

Referring to the above case, you are required to explain the term of Insurable Interest. Please support your answer with other related cases and authorities.

(15 marks)

- (b) *Uberimae fidei* (utmost good faith) is one the important legal principle in the law of insurance. Support your answer with relevant cases.

(10 marks)

(Total : 25 marks)

Continued.....

QUESTION 3

- (a) Sam is the managing director of POPULAR Sdn Bhd ('the Company'). The Company had appointed Mazda as one of its directors during the general meeting of the Company 2 months ago. According to the Article of Association of the Company, it provides as follows:-

"all directors must acquire and hold at least 30,000 shares in the Company within three months of their appointment"

Margaret who is one of the directors of the company wishes to know whether Mazda is disqualified to act as a director since he did not contribute any number of shares in the company.

As the legal advisor of the company, advise Margaret.

(10 marks)

- (b) In Company Law, there are two (2) exceptions that the corporate veil can be lifted. One of the exceptions is judicial veil of lifting. Based on the statement above, explain the following situations and support your answer with relevant case law:

- | | | |
|-------|----------------------------------|-----------|
| (i) | Perpetration of Fraud; | (5 marks) |
| (ii) | Evasion of Legal Obligation; and | (5 marks) |
| (iii) | Holding & subsidiaries Companies | (5 marks) |

(Total: 25 Marks)

QUESTION 4

- (a) Discuss whether the following is a negotiable instrument?

"I promise to pay to the order of Mr David that which I owe him by delivering to his place of business a hundred (100) units of text books title Law of Contract 2 weeks from the date herein".

Bon Jovi

(5 marks)

Continued.....

- (b) Describe the differences between Bill of Exchange and Promissory Notes.

(20 marks)

(Total : 25 marks)

End of Paper